

**CHARITABLE GAMING DIVISION**

# **BINGO AND OTHER GAMBLING GENERAL PROVISIONS**

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**NEBRASKA DEPARTMENT OF REVENUE**

**AUGUST 2003**

**BINGO AND OTHER GAMBLING**  
**ARTICLE 1**  
**GENERAL PROVISIONS**

Section.

9-183 and 194.	Transferred to sections 9-343 and 9-344.
9-185.	Transferred to section 9-427.
9-186.	Transferred to section 9-340.
9-186 and 9-186.02.	Transferred to sections 9-337 and 9-338.
9-186.03.	Transferred to section 9-336.
9-186.04.	Transferred to section 9-339.
9-187 and 9-187.01.	Transferred to sections 9-226 and 9-227.
9-187.02.	Transferred to section 9-350.
9-188 and 9-189.	Transferred to sections 9-228 and 9-229.
9-190.	Transferred to section 9-252.
9-191 to 9-194.	Repealed.
9-195.	Transferred to section 9-433.
9-196.	Transferred to section 9-429.
9-197.	Transferred to section 9-240.
9-198.	Transferred to section 9-431.
9-199.	Transferred to section 9-422.
9-199.01.	Transferred to section 9-426.
9-1,100.	Repealed.
9-1,101.	Department of Revenue; Charitable Gaming Division; created; duties; Charitable Gaming Operations Fund; created; use; investment; investigators; fees authorized.
9-1,102.	Repealed.
9-1,103.	Invalidity of acts; effect.
9-1,104.	Contract or license applicant or holder; fingerprinting; criminal history record information check; personal history report; background investigation; facilities inspection; required, when; payment of costs; refusal to comply; effect.
9-1,105.	Charitable Gaming Investigation Petty Cash Fund; authorized; use; records; investment.
9-1,106.	Tribal-state compact governing gaming; Governor; powers.

**9-1,101. Department of Revenue; Charitable Gaming Division; created; duties; Charitable Gaming Operations Fund; created; use; investment; investigators; fees authorized.** (1) The Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Pickle Card Lottery Act, the Nebraska Small Lottery and Raffle Act, and section 9-701 shall be administered and enforced by the Charitable Gaming Division of the Department of Revenue, which division is hereby created. The Department of Revenue shall make annual reports to the Governor, Legislature, Auditor of Public Accounts, and Attorney General on all tax revenue received, expenses incurred, and other activities relating to the administration and enforcement of such acts.

(2) The Charitable Gaming Operations Fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(3) (a) Forty percent of the taxes collected pursuant to sections 9-239, 9-344, 9-429, and 9-648 shall be available to the Charitable Gaming Division for administering and enforcing the acts listed in subsection (1) of this section and section 81-8,128. The remaining sixty percent shall be transferred to the General Fund. Any portion of the forty percent not used by the division in the administration and enforcement of such acts and section shall be distributed as provided in this subsection. (b) On or before November 1 of each year, the State Treasurer shall transfer fifty thousand dollars from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund, except that no transfer shall occur if the Charitable Gaming Operations Fund contains less than fifty thousand dollars. (c) Any money remaining in the Charitable Gaming Operations Fund after the transfer pursuant to subdivision (b) of this subsection not used by the Charitable Gaming Division in its administration and enforcement duties pursuant to this section may be transferred to the General Fund at the direction of the Legislature.

(4) The Tax Commissioner shall employ investigators who shall be vested with the authority and power of a law enforcement officer to carry out the laws of this state administered by the Tax Commissioner or the Department of Revenue.

(5) The Charitable Gaming Division may charge a fee for publications and listings it produces. The fee shall not exceed the cost of publication and distribution of such items. The division may also charge a fee for making a copy of any record in its possession equal to the actual cost per page. The division shall remit the fees to the State Treasurer for credit to the Charitable Gaming Operations Fund.

(6) The State Treasurer shall transfer two hundred ninety-two thousand dollars from the Charitable Gaming Operations Fund to the General Fund on or before November 1, 2002.

**Source:** Laws 1986, LB 1027, § 185; Laws 1988, LB 1232, § 1; Laws 1989, LB 767, § 1; Laws 1990, LB 1055, § 3; Laws 1991, LB 427, § 1; Law 1993, LB 397, § 1; Laws 1994, LB 694, § 1; Laws 1994, LB 1066, § 8; Laws 2000, LB 659, § 1; Laws 2001, LB 541, § 2; Laws 2002, LB 1310, § 2.  
**Effective Date:** April 9, 2002.

**Cross References:**

**Nebraska Bingo Act**, see section 9-201.  
**Nebraska Capital Expansion Act**, see section 72-1269.  
**Nebraska County and City Lottery Act**, see section 9-601.  
**Nebraska Lottery and Raffle Act**, see section 9-401.  
**Nebraska Pickle Card Lottery Act**, see section 9-301.  
**Nebraska Small Lottery and Raffle Act**, see section 9-501.  
**Nebraska State Funds Investment Act**, see section 72-1260.

**9-1,102. Repealed.** Laws 2000, LB 1135, § 34.

**9-1,103. Invalidity of acts; effect.** If any provision of the Nebraska Bingo Act, the Nebraska Pickle Card Lottery Act, the Nebraska Lottery and Raffle Act, the Nebraska Small Lottery and Raffle Act, or the Nebraska County and City Lottery Act or the application of such acts to any person or circumstance is held invalid, the remainder of the acts or the application of the provision to other persons or circumstances shall not be affected.

**Source:** Laws 1988, LB 1232, § 3.

**Cross References:**

**Nebraska Bingo Act**, see section 9-201.  
**Nebraska County and City Lottery Act**, see section 9-601.  
**Nebraska Lottery and Raffle Act**, see section 9-401.  
**Nebraska Pickle Card Lottery Act**, see section 9-301.  
**Nebraska Small Lottery and Raffle Act**, see section 9-501.

**9-1,104. Contract or license applicant or holder; fingerprinting; criminal history record information check; personal history report; background investigation; facilities inspection; required; when; payment of costs; refusal to comply; effect.**

(1) Any person applying for or holding a contract or license (a) as a distributor, gaming manager, or manufacturer pursuant to the Nebraska Bingo Act, (b) as a distributor, manufacturer, pickle card operator, or sales agent pursuant to the Nebraska Pickle Card Lottery Act, (c) as a lottery operator, lottery worker who is designated as a keno manager or who has authority over the verification of winning number selection by an electrically operated blower machine, manufacturer-distributor, or sales outlet location pursuant to the Nebraska County and City Lottery Act, or (d) pursuant to the State Lottery Act shall be subject to fingerprinting and a check of his or her criminal history record information maintained by the Identification Division of the Federal Bureau of Investigation through the Nebraska State Patrol for the purpose of determining whether the Department of Revenue has a basis to deny the contract or license application or to suspend, cancel, revoke, or terminate the person's contract or license. Each applicant for or party holding a license as a manufacturer, distributor, manufacturer-distributor, or lottery operator shall also submit a personal history report to the department on a form provided by the department and may be subject to a background investigation, an inspection of the applicant's or licensee's facilities, or both. If the applicant is an individual, the application shall also include the applicant's social security number.

(2) (a) If the applicant, party to the contract, or licensee is a corporation, the persons subject to such requirements shall include any officer or director of the corporation, his or her spouse, any person or entity directly or indirectly associated with such corporation in a consulting or other capacity which may impair the security, honesty, or integrity of the operation or conduct of the activities for which the application is made or contract or license is held, and, if applicable, any person or entity holding in the aggregate ten percent or more of the debt or equity of the corporation. If any person or entity holding ten percent or more of the debt or equity of the applicant, contractor, or licensee corporation is a corporation, partnership, or limited liability company, every partner of such partnership, every member of such limited liability company, every officer or director of such corporation or partnership, every person or entity holding ten percent or more of the debt or equity of such corporation, partnership, or limited liability company, and every person or entity directly or indirectly associated with such corporation, partnership, or limited liability company, in a consulting or other capacity which may impair the security, honesty, or integrity of the operation or conduct of the activities for which the application is made or contract or license is held may also be subject to such requirements. If the applicant, party to the contract, or licensee is a partnership, the persons subject to such requirements shall include any partner, his or her spouse, any officer or director of the partnership, or any person or entity directly or indirectly associated with such partnership in a consulting or other capacity which may impair the security, honesty, or integrity of the operation or conduct of the activities for which the application is made or contract or license is held. If the applicant, party to the contract, or licensee is a limited liability company, the persons subject to such requirement shall include any member and his or her spouse. If the applicant, party to the contract, or licensee is a nonprofit organization or nonprofit corporation, the person subject to such requirement shall be the person designated by such nonprofit organization or nonprofit corporation as the manager.

(b) Notwithstanding the provisions of this section, background investigations shall not be required of any debt holder which is a financial institution organized or chartered under the laws of this state, any other state, or the United States relating to banks, savings institutions, trust companies, savings and loan associations, credit unions, installment loan licensees, or similar associations organized under the laws of this state and subject to supervision by the Department of Banking and Finance.

(c) Notwithstanding the provisions of this section, if an applicant for or party holding a license as a pickle card operator, sales agent, gaming manager, lottery operator, lottery worker, or sales outlet location is issued a license by the Nebraska Liquor Control Commission, the Department of Revenue may waive the fingerprinting requirements for criminal history record investigation purposes.

(3)(a) The applicant, party to the contract, or licensee shall pay the actual cost of any fingerprinting or check of his or her criminal history record information.

(b) The Department of Revenue may require an applicant or licensee subjected to a background investigation, a facilities inspection, or both to pay the actual costs incurred by the department in conducting the investigation or inspection. The department may require payment of the estimated costs in advance of beginning the investigation or inspection. If an applicant does not wish to pay the estimated costs, it may withdraw its application and its application fee will be refunded. After completion of the investigation or inspection, the department shall refund any overpayment or shall charge and collect an amount sufficient to reimburse the department for any underpayment of actual costs. The department may establish by rule and regulation the conditions and procedures for payment of the costs.

(4) Refusal to comply with this section by any person contracted with, licensed, or seeking a contract or license under the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Pickle Card Lottery Act, or the State Lottery Act shall be a violation of the act under which such person is contracted with, licensed, or seeking a contract or license.

**Source:** Laws 1989, LB 767, § 2; Laws 1991, LB 427, § 2; Laws 1991, LB 849, § 43; Laws 1993, LB 121, § 106; Laws 1993, LB 138, § 1; Laws 1993, LB 563, § 1; Laws 1994, LB 694, § 2; Laws 1994, LB 884, § 16; Laws 1997, LB 248, § 1; Laws 1997, LB 752, § 61; Laws 2000, LB 1086, § 2; Laws 2002, LB 545, § 1; Laws 2003, LB 131, § 18.

**Effective date:** August 31, 2003.

**Cross References:**

**Nebraska Bingo Act**, see section 9-201.

**Nebraska Capital Expansion Act**, see section 72-1269.

**Nebraska County and City Lottery Act**, see section 9-601.

**Nebraska Pickle Card Lottery Act**, see section 9-301.

**Nebraska State Funds Investment Act**, see section 72-1260.

**State Lottery Act**, see section 9-801.

**9-1,105. Charitable Gaming Investigation Petty Cash Fund; authorized; use; records; investment.** The Tax Commissioner may apply to the Director of Administrative Services and the Auditor of Public Accounts to establish and maintain a Charitable Gaming Investigation Petty Cash Fund. The funds used to initiate and maintain the Charitable Gaming Investigation Petty Cash Fund shall be drawn solely from the Charitable Gaming Operations Fund. The Tax Commissioner shall determine the amount of money to be held in the Charitable Gaming Investigation Petty Cash Fund, consistent with carrying out the duties and responsibilities of the Charitable Gaming Division of the Department of Revenue but not to exceed five thousand dollars for the entire division. This restriction shall not apply to funds otherwise appropriated to the Charitable Gaming Operations Fund for investigative purposes. When the Director of Administrative Services and the Auditor of Public Accounts have approved the establishment of the Charitable Gaming Investigation Petty Cash Fund, a voucher shall be submitted to the Department of Administrative Services accompanied by such information as the department may require for the establishment of the fund. The Director of Administrative Services shall issue a warrant for the amount specified and deliver it to the Charitable Gaming Division. The fund may be replenished as necessary, but the total amount in the fund shall not exceed ten thousand dollars in any fiscal year. The fund shall be audited by the Auditor of Public Accounts.

Any prize amounts won, less any charitable gaming investigative expenditures, by Charitable Gaming Division personnel with funds drawn from the Charitable Gaming Investigation Petty Cash Fund or reimbursed from the Charitable Gaming Operations Fund shall be deposited into the Charitable Gaming Investigation Petty Cash Fund.

For the purpose of establishing and maintaining legislative oversight and accountability, the Department of Revenue shall maintain records of all expenditures, disbursements, and transfers of cash from the Charitable Gaming Investigation Petty Cash Fund.

By September 15 of each year, the department shall report to the budget division of the Department of Administrative Services and to the Legislative Fiscal Analyst the unexpended balance existing on June 30 of the previous fiscal year relating to investigative expenses in the Charitable Gaming Investigation Petty Cash Fund and any funds existing on June 30 of the previous fiscal year in the possession of Charitable Gaming Division personnel involved in investigations. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

**Source:** Laws 1989, LB 815, § 5; Laws 1991, LB 427, § 3; Laws 1994, LB 1066, § 9.

**Operative date:** April 20, 1994.

**9-1,106. Tribal-state compact governing gaming; Governor; powers.** (1) Upon request of an Indian tribe having jurisdiction over Indian lands in Nebraska, the Governor or his or her designated representative or representatives shall, pursuant to 25 U.S.C. 2710 of the federal Indian Gaming Regulatory Act, negotiate with such Indian tribe in good faith for the purpose of entering into a tribal-state compact governing the conduct of Class III gaming as defined in the act. A compact which is negotiated pursuant to this section shall be executed by the Governor without ratification by the Legislature.

(2) It shall be the policy of this state that any compact negotiated pursuant to this section shall (a) protect the health, safety, and welfare of the public and (b) promote tribal economic development, tribal self-sufficiency, and strong tribal government.

(3) Such compact negotiations shall be conducted pursuant to the provisions of 25 U.S.C. 2710 of the federal Indian Gaming Regulatory Act.

**Source:** Laws 1993, LB 231, § 1.